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SIM/449

Chief of Operations, Salzburg

25 February 1954

Operational/REPSOX/AEACRE

Grallspace 1 Final Report Concerning the Events for the period 25 January to 7 February 1954

EVENTS - 25 January 1954

1. On 25 January 1954 at about 0930 hours, Grallspace 1 telephoned case officer [] and told case officer that he had an urgent matter that he wished to discuss with him. Using the pre-arranged code it was agreed to meet at 1200 hours the same day at the safe apartment. Case officer arrived at the safe apartment at about 1145 hours and found a plumber fixing the kitchen sink. Case officer went back downstairs and a few minutes later intercepted Grallspace 1 just as he was entering the apartment building. Together they walked down the street to the Gasthof Lehner where the meeting was held. The meeting lasted approximately one hour during which time Grallspace 1 related the following incident.

a. Grallspace 1 said that on Friday, 22 January 1954, shortly after noon he received a telephone call from an unknown person (male voice) asking for Mr. Schebalin. When agent asked who was speaking the person again asked for Mr. Schebalin and then hung up. Later that same evening the telephone rang again and a male voice, believed to be the same as the first call, asked if Mr. Schebalin were at home. Grallspace 1 asked who this was. The person merely asked if Mr. Schebalin was there and agent, answering yes, asked again who was speaking and what he wanted. The person again hung up. On the next day, 23 January at about 1200 noon, the telephone rang in agent's apartment and a woman's voice said that this was the Salzburg telegraph office and that she had a telegram for Mr. Schebalin. Agent asked for the message whereupon the woman read the following telegram: "The message is for Mr. Schebalin. It reads: 'Arriving Salzburg on 1532 train. Please meet me at Salzburg Station. Signed 'M'.'" (Telegram was in German) Agent asked the woman where the telegram was from and she said Munich. He asked when it was sent and she said "yesterday" and hung up. (C.O. Note: Grallspace 1 and his wife had arranged a small code for signing their correspondence. They had agreed always to sign their messages to each other with the phrase "Kuesse". This would automatically mean that the message did genuinely originate with one or the other. This telegram was not signed with Kuesse. Furthermore, Grallspace 1's wife's first name is Tatyana. The name she had been using in Salzburg was [] which probably explains the "M", with which

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the telegram was signed.) Grallspace 1, fearing that his wife was in some kind of danger or it was some kind of emergency, went to the train station to meet the 1532 train from Munich. His wife was not on the train. He met all subsequent trains from Munich the same day. However, his wife did not appear. Later in the evening he went to the Salzburg Post Office and asked to have a copy of the telegram. The clerk searched through his log book and said that they had received no such telegram. After agent had explained that he had received a telephoned wire that afternoon the clerk said that he would check Munich for confirmation that such a telegram was even sent. The clerk later learned that no telegram had ever been sent from Munich.

b. That evening (23 January 1954) Grallspace 1 returned home about 2330 hours after having met all the Munich trains. His friend Gertraud KOESSLER had been visiting the WUKS woman, Grallspace 1's landlady, and when they saw Grallspace 1 had arrived at his apartment they invited him to their apartment just across the courtyard for a cup of coffee. About 0200 hours in the morning (24 January) KOESSLER and Grallspace 1 left WUKS' apartment and together they went into town to the Cafe Zentral for a beer. About 0430 in the morning, shortly before KOESSLER and agent left the Cafe, KOESSLER told Grallspace 1 that she had a friend who even though he were only a minor clerk in an office, was really a pretty big wheel and was working for a cause for which he did not necessarily receive money and hinted that Grallspace 1 should also work with her friend in this "cause". Grallspace 1 passed the remark off by saying that if there was no money involved he was not too interested. Here the conversation stopped and Grallspace 1 returned home.

2. Grallspace 1 and case officer agreed that this was obviously an attempt on someone's part to establish Grallspace 1's identity as Schebalin and secondly the whole KOESSLER affair has all the earmarks of being an intelligence approach. Grallspace 1 said that he had known KOESSLER for about the last four or five months and that he had gotten to know her through Frau WUKS. It seems that KOESSLER and WUKS work together in the same office in the Salzburg Finanzamt. KOESSLER frequently came to visit the WUKS woman during which visits Grallspace 1 got acquainted with KOESSLER. Grallspace 1 also related that one time the KOESSLER girl was playing with the agent's six year old daughter and accidentally learned from the little girl that her name was not Dellinger but Schebalin. Grallspace 1 said that he never paid any attention to the KOESSLER girl until within the last month. When Grallspace 1 returned to Salzburg from his Christmas vacation in Memmingen on 29 December 1952 (it will be recalled that agent's wife remained in Memmingen at this time) the KOESSLER girl completely uninvited or solicited showed a distinct interest in his background as noted from SIM/375. One day she even asked him point blankly whether he were Russian. (Agent and family speak Russian at home.)

3. Case officer told agent that in this case he was to return to his apartment immediately and to stay there until he heard from case officer later in the afternoon. He was also to note very carefully everything and anything that KOESSLER should say to him if she called or visited again and he was not to decline any further approach completely nor was he to accept it. He was to stay in the middle of the road and try to elicit as much information as possible. Later in the afternoon about 1600 hours case officer telephoned Grallspace 1 to see if everything was in order. Agent reported no further developments. In that case it was agreed to meet again the next morning (26 January) at 0900 hours at the Protestant church in Salzburg.

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EVENTS - 26 January 1954

4. The next morning (26 January) as arranged, case officer and agent met at the Protestant church at 0900 hours and together they walked along Schwarzsstrasse to an Espresso where they held a brief meeting. Agent reported that KOESSLER had not telephoned him on 25 January nor had she come to visit him as would be her usual habit. (C.O. Note: This probably meant that KOESSLER was going to wait a little while before she made a second approach. She probably felt rebuffed by agent's disinterest in her first approach.) Fearing that this entire affair might be a possible kidnap attempt against agent, case officer brought along a blackjack and a pair of brass knuckles in a paper sack which he gave to agent for the latter's use and protection. Case officer then told agent that he had to go away for about one day, from noon 26 January until noon 27 January, and that should some emergency arise he was to call case officer's telephone number and ask for "Jones", the friend of [redacted] and that he and "Jones" could arrange an emergency meeting. Case officer, however, cautioned that agent was to use this system only in an extreme emergency. On 27 January when case officer returned from his trip he telephoned agent to see if everything were in order. Agent replied that it was. It was then agreed to meet at 0900 hours on 28 January as arranged.

EVENTS - 28 January 1954

5. When case officer and agent met at 0900 hours 28 January agent said that KOESSLER had called him on Tuesday (26 January) and had rather urgently invited him to go to a literary lecture at the Salzburg Volkshochschule that evening. However, agent declined saying that he was sick. On the next day he checked and found that there had been no literary lecture given that evening in Salzburg. There had been various lectures but none dealing with any literary topics. Agent reported that she (KOESSLER) had not phoned him or visited him on 27 January. Case officer told agent that it had been decided to have agent's wife come back to Salzburg immediately so that all three would be together. Then it would be easier to keep track of them. Therefore, agent was to write a telegram asking his wife to return to Freilassing on the evening of 29 January where she would be met and brought to Salzburg. Agent wrote the telegram and gave it to case officer. The meeting ended with case officer telling agent to go back home and wait until further word. Case officer then immediately drove to Bad Reichenhall where he sent the telegram to agent's wife in Memmingen.

6. When case officer returned to SOB about 1100 hours, he learned that Grallspace 1's emigration was nearing completion and that Headquarters had requested that Grallspace 1 be in Washington on 1 February. (See DIR 35896) Necessary arrangements for scheduling MATS flights to Washington for case officer, agent and family, for getting the shots, etcetera were made immediately. Case officer then telephoned agent and asked to meet him that afternoon at 1400 hours. At this time case officer told agent that he was to pack all his things together and that case officer and agent would drive to Memmingen the next day to pick up agent's wife and daughter and then drive on to Frankfurt to embark on 31 January for a flight to Washington, D.C. Agent somewhat stunned by this rapid sequence of events said that he would do his very best to get packed up and ready to go. He asked whether his mother-in-law was to be included in this emigration. Case officer answered that she could not go along at this time. Agent said that this may cause some difficulty with his wife since she would be quite opposed to leaving the aged woman alone at this time. Case officer said that there was nothing else that could be done, that it had to be this way and that the mother-in-law would have to stay in Germany until arrangements could be made at [redacted] for her emigration to the States.

It was therefore agreed to meet again the next morning (29 January) at 0900 hours at a gas station on Alpenstrasse. In the meantime case officer would send a telegram to agent's wife telling her not to come to Salzburg but to remain in Memmingen and that agent was coming to Memmingen. Case officer then drove to Bad Reichenhall for the second time and sent the second telegram which in effect cancelled the arrangements for the wife's coming to Salzburg.

7. When case officer returned to SOB later in the afternoon, he learned that the Army had cut orders for case officer, agent, wife and daughter for priority space on a MATS flight from Frankfurt, Germany to Washington, D.C. leaving on 31 January and that arrangements had been made with the Army to have agent receive a smallpox vaccination at the 109th Field Hospital in Salzburg on the morning of 29 January. Case officer then called [C] in Munich to inform him that Grallspace 1 and family were on their way to the States under Section 8 and to learn what necessary papers were needed. [C] replied that all Grallspace 1 and family needed were the yellow vaccination cards. He said he could supply those at MOB. Case officer said he would pick up the three cards and also agent's TIDs which had been left at MOB for renewal on his way to Frankfurt. The fictitious name of Hermann Streichmann, Maria and Rita had been invented for Grallspace 1, wife and daughter. These names would be used during the trip from Frankfurt to Washington, D.C.

EVENTS - 29 January 1954

8. Case officer met agent at 0900 hours on 29 January at the gas station on Alpenstrasse and drove him to Camp Truscott's 109th Field Hospital where agent was given a smallpox vaccination. Case officer then escorted Grallspace 1 back to town and told agent that he was to go home, pack all his things together and then take them via taxi to the railroad station in Salzburg. (Agent had about 9 suitcases.) Case officer would then meet him and at 1300 together with the 9 suitcases they would travel by car to Memmingen that afternoon to pick up agent's wife and daughter and from there go to Frankfurt ready for the flight that Sunday (31 January) to Washington, D.C. Case officer also told agent not to inform Frau WUKS of his intended departure until just a few hours before he actually left the apartment. He was merely to tell her that he had been called back to Germany by his company very unexpectedly.

9. Case officer then returned to SOB where at about 1100 hours he learned that the passage on the MATS flight for 31 January had been postponed until 4 February. Case officer then called agent and told him that there had been a change in the plan and that we would have to wait several days before going to Germany. Agent said that he had already informed Frau WUKS about 2 minutes before that he was returning to Germany. Case officer said that he would telephone agent later in the afternoon. That afternoon about 1400 hours agent telephoned case officer and asked to see him as soon as possible. Case officer said that they would meet within 10 minutes at the gas station near agent's house. At this time agent related that he had received a series of mysterious telephone calls from an unknown male person. This person would telephone Grallspace 1 and ask him if Mr. Dellinger were at home. When Grallspace 1 answered that he was Mr. Dellinger the person on the other end of the line would hang up. The first telephone call came at about 1130 hours and there were two or three after that about every half hour. Grallspace 1 also related that shortly after he had informed Frau WUKS that he was leaving the apartment he overheard her telephoning

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the KOESSLER girl telling her that Mr. Dellinger was checking out of the apartment and going back to Germany. (C.O. Note: This short episode more or less clinched the participation of KOESSLER in this entire affair and makes it quite apparent that she is the key to this story.) Case officer then told agent to go back to the apartment, pack his things together immediately and case officer would pick him up at the railroad station at 1600 hours. () then returned to SOB where he picked up () and together they proceeded to the area of Grallspace 1's apartment and parked the car about a block away at a vantage point from where they could observe both entrances and exits of the Grallspace apartment building. (C.O. Note: This was primarily a security measure whereby () were to act as convoy and bodyguard for agent.) () waited in the car but did not observe anything unusual in the apartment building. Finally at 1545 hours a cab drove up in front of the apartment building and Grallspace 1 started loading his baggage into the cab. A few minutes later Grallspace 1 left in the cab for the railroad station and () and () followed the cab all the way. However about one half the way to the railroad station the cab made a slight detour off to the Salzburg Finanzamt. Here Grallspace 1 got out and went into the Finanzamt. About five minutes later agent came out again, got into the cab and went to the railroad station. (C.O. Note: Grallspace 1 later told case officer that just as he was leaving the apartment KOESSLER telephoned him saying she had to see him about a very important matter. When Grallspace 1 saw her at the Finanzamt she said the "important matter" was several books which Grallspace 1 had lent her. She urgently asked that Grallspace 1 give her his forwarding address so she could send the books later. Grallspace 1 did not give any address but told KOESSLER he would pick up the books when he was in town next. Then KOESSLER told him of the proverb: "It is good to know the truth and talk about it, but even better to know the truth and keep quiet." With this she said, "Lebe wohl" and Grallspace 1 returned to the cab.) Here () parked the car about 3 blocks away letting () get out and then proceeded on foot to the railroad station where he met Grallspace 1 who had already checked his baggage and together they walked back on foot to the automobile checking three or four times for possible surveillance. None was detected. () and Grallspace 1 drove to () private residence in Salzburg where Grallspace 1 stayed until the next morning.

EVENTS - 30 January 1954

10. At 0800 hours 30 January 1954 () and Grallspace 1 left by automobile for Memmingen, Germany. They picked up agent's baggage which had been checked at the railroad station, crossed the Austro-German border on the Autobahn (agent was taken across the German border on a way-bill made out in the name of "Johann Edelmann") and drove to Munich arriving there approximately 1030 hours. () left agent in a Gasthaus there and proceeded to MOB where he met (). He obtained from () the temporary travel documents for agent and his wife and also obtained three international immunization cards which had already been made out and stamped. The fictitious Streichmann name for agent, wife and daughter were then typed in. () picked up agent in the Gasthaus and at about 1130 hours they departed Munich for Memmingen. They arrived in Landsberg midway between Munich and Memmingen about 1400 hours. Since it was considered inadvisable to arrive in Memmingen in the daylight, case officer and agent spent the afternoon in Landsberg and then at about 1700 hours proceeded to Memmingen arriving there at 1815 hours. Case officer drove agent and his 9 suitcases right to his house. Agent felt certain that there would be

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no security objection to having an American car drive up to his house since many American Army and State Department cars visited the housing area in which agent lived. [] dropped off agent and baggage and then went to the Hotel Bahnhof where he registered using a false AGO card. On the trip from Munich to Memmingen the left front wheel of the operational vehicle started to shimmy. [] took the car to a garage that evening, left it for repairs saying we would pick it up on Tuesday (2 February). This provided a very suitable cover story for [] having to stay in Memmingen on Sunday and Monday.

11. The next morning (31 January) case officer met agent in a cafe in Memmingen at which time agent reported that everything was in order and that his wife and daughter would definitely be able to leave on Wednesday for Frankfurt. In the meantime they would receive their smallpox vaccinations. [] met Grallspace 1 daily just to check for any possible flaps or unexpected events. On 1 February [] came to Memmingen and brought [] in amendment to Grallspace 1's orders for the military flight which provided for agent and his wife to travel without documentation.

EVENTS - 3 February to 7 February 1954

12. On the morning of 3 February at 0700 hours case officer met agent and his family with their baggage at a point in Memmingen and together they drove on to Frankfurt arriving there at 1400 hours. [] left Grallspace 1 and his family off at the Hotel Victoria in Frankfurt where they registered under true name. (Case officer stayed at a hotel about a block away.) Case officer then went to FOB where final arrangements were made for case officer, agent and his family to board the MATS aircraft the next day for Washington, D.C. These arrangements, of course, had to be made through liaison channels since agent and his family did not have any documentation whatsoever. Another set of orders providing for travel without documentation was issued in Frankfurt since the set which [] brought had been stamped "secret" and hence could not be showed freely at the airfield. Case officer returned to Grallspace 1 and his family remaining with them several hours. It was arranged to pick up agent and his family next morning, 4 February 1954, at 1000 hours at the hotel.

13. On 4 February case officer and another FOB staff member picked up agent and his family in an FOB car and drove out to Rhine-Main Airfield. Here final confirmation was made for space on the MATS plane and customs was cleared. (C.O. Note: The sergeant at the military police counter had been tipped off by FOB liaison to pass [] and party with no questions asked.) Finally at 1400 hours [] agent and family boarded the MATS aircraft and flew to Washington, D.C. via Paris and the Azores. The air trip took place without incident.

14. [] and party arrived at Washington's National Airport on 5 February at 0600 hours, about 3 hours ahead of schedule. Since they arrived so much earlier than the scheduled time it was understandable there was no one at the airport from Headquarters to meet them. Fortunately, however, the officer at the I&N desk had been tipped off that three aliens without documentation would be coming through. The I&N officer passed Grallspace 1 and his family through the check and put them in the custody of [] until later in the morning when they could be registered at the I&N office in Washington.

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15. [] then took a taxi cab with agent and family in tow and went to the Hotel Stradford where he took a single room. Case officer left agent and family in this room and then went off to KUBARK Headquarters to try to establish contact with someone from SR/DOB. [] arrived at Headquarters at about 0900 hours and got in touch with [] office who in turn put him in touch with SR/DOB. Case officer and Headquarters' staffer returned to the Stradford Hotel, picked up agent, wife and daughter and took them to the I&N office in the Old Post Office Building in Washington where they were registered. From there they were taken to the Gordon Hotel, 16th Street N.W. where SR/DOB had reserved rooms for agent and his wife. After agent and his family were finally settled in the hotel they were instructed not to leave their hotel room at any time. Case officer then went to meet the SR/DOB case officer who was to take over Grallspace 1. [] briefed the new case officer. On 6 February [] met agent and family several times to make sure they were getting along all right. Agent and his family had been permitted to go out of their hotel for short walks in the immediate vicinity and to get their meals. Then on 7 February about 1200 hours case officer and the new SR/DOB case officer met Grallspace 1 and family. The five went to lunch and then a short drive so that the new case officer could get acquainted with his new charge. When the five returned to the Gordon, [] took leave of Grallspace 1 and family and turned them over completely to the new case officer. On 9 February [] took a MATS flight back to Frankfurt and then by train to Salzburg arriving there on 11 February 1954.

CASE OFFICER COMMENTS

16. In summing up the past year's association with Grallspace 1, case officer wishes to review several observations concerning agent which may possibly be of use to case officer's handling him in the future: Grallspace 1 is not the "snook" type agent, but on the contrary he possesses a very fine degree of intelligence, common sense, and objectivity. He constantly strives to improve his mind, keeps up to date with current affairs and does not idle away his time (except where the opposite sex is involved and then it may not be just to say that this is idling away time). Grallspace 1 has the very distinct qualification of being able to handle himself in almost any type of situation and of "knowing his way around". He certainly is not one to sit at home waiting for detailed instructions or guidance from his superiors. He has plenty of initiative and drive. Perhaps the greatest testimony to his qualities as an intelligence operative is the fact that he was spotted and approached by another IS organization. This reverts to the tradecraft axiom that if a person looks exceptionally good to you as an IS operative he probably looks just as good to other IS organizations. As pointed out before (CR 4 June 53), Grallspace 1 is not a person to lie directly. Instead he merely neglects to tell the whole story (re his episode crossing the Austro-German border).

17. The main disadvantage to Grallspace 1 is that he is a control problem. He is a very active personality and definitely not one to sit around twiddling his thumbs. He likes to get out and circulate. His accidentally running into the suspected RIS agent last winter and the KOESSLER affair certainly could not be blamed on him. His affair with the 16 year old girl, however, was something that perhaps could have been avoided had agent discreetly overcome his affinity for teen-age misses. But all in all, it seems almost remarkable that such an active, energetic and inquisitive person like Grallspace 1 did not get into more scrapes than he did during his one year sojourn in Salzburg. It would therefore be quite wrong to expect a person like Grallspace 1 to sit quietly doing nothing

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for any extended period of time. He is operationally quite well disciplined and if a need should exist in a specific case he could and probably would sit quietly for a period of time. However the case in Salzburg, where it lasted almost one year and where the Vienna operation seemed so distant to him was not one where Grallspace 1 could have been expected to sit quietly for so long. Hence, it is quite judicious that agent be kept busy and that, when need be, he be given very detailed "do's" and "don'ts" and that a periodic check is made to see that he is observing these do's and don'ts. In general, a pretty close watch has to be kept on agent lest he wander off on his own.

18. As mentioned in paragraph one above agent seems to possess a very ample supply of operational savvy. He knows his way around, seems quite capable of handling himself, is certainly no introvert, and seems to have the ability to blend in to almost any stratum of society. This is, of course, a most desirable asset in an intelligence operative since all too often the average agent is quite inclined to do nothing unless goaded into it or led by the hand. Although case officer received the impression during his briefing and debriefing at Headquarters that the tentative plan was to dispose of agent after about six months time, case officer wishes to suggest that every consideration vis-a-vis agent's operational talent and possible long range use be made before releasing Grallspace 1. Even though he is pretty much a control problem his operational talent would probably offset this disadvantage. Concerning Grallspace 1's future with KUBARK, it would seem most profitable then to follow some plan whereby Grallspace 1, after one year or so in the States where he could get adjusted to his new citizenship, would be sent back overseas in some type of contract agent slot. Even though he is a dutiful husband and father and seems most concerned about his family, he does not at all feel that he has to be physically located with them. He would, in fact, be perfectly happy to live outside the U.S. without his family while engaged in some type of IS work for the Americans. As long as his family is being taken care of he is satisfied and doesn't seem to care if he is away from them. If it would not be possible for KUBARK to maintain Grallspace 1, it might be feasible to turn him over to some other U.S. government agencies like ODENVY who might be able to use such a "snooper" as Grallspace 1.

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